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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of :
Columbus Southern Power Company and :
Ohio Power Company, Individually : Case No. 11-351-EL-AIR
and, if Their Proposed Merger is : Case No. 11-352-EL-AIR
Approved, as a Merged Company :
(collectively AEP Ohio) for an Increase :
in Electric Distribution Rates. :

OBJECTION
OF
THE OHIO DEPARTMENT OF DEVELOPMENT
TO
THE STAFF REPORT OF INVESTIGATION

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The Ohio Department of Development ("ODOD"), pursuant to Section 4909.19, Revised Code, and Rule 4901-1-28, Ohio Administrative Code ("OAC"), hereby respectfully submits its objection to the Staff Report of Investigation issued in this proceeding on September 15, 2011.

(OPERATING INCOME)

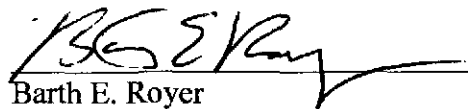
ODOD objects to the Staff's failure to adjust test-year uncollectible expense to annualize the impact of the known increase in uncollectible expense resulting from the implementation of new Rule 122:5-3-04(B)(2), OAC, on November 1, 2010. For reasons stated in ODOD's July 20, 2011 motion to consolidate, the PIPP-related uncollectible expense generated by the new rule should be recovered through the base rates authorized in this proceeding rather than through PIPP-specific uncollectible expense riders as proposed by AEP Ohio in its pending applications in Case Nos. 11-148-EL-RDR and 11-149-EL-RDR. The rule change occurred

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during the test year, and sufficient actual data is now available to support the adjustment to test-year uncollectible adjustment necessary to permit base-rate recovery of the resulting PIPP-related uncollectible expense.

Pursuant to the attorney examiner's entry in this docket of October 13, 2011, ODOD will file direct testimony in support of its objection on October 24, 2011.

Respectfully submitted,

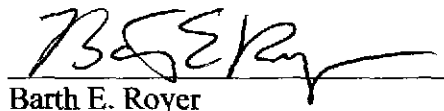
A handwritten signature in black ink, appearing to read "Barth E. Royer", with a long horizontal flourish extending to the right.

Barth E. Royer
BELL &, ROYER CO., LPA
33 South Grant Avenue
Columbus, Ohio 43215-3927
(614) 228-0704 – Phone
(614) 228-0201 – Fax
BarthRoyer@aol.com – Email

Special Counsel for
The Ohio Department of Development

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been served upon the following parties by first class mail, postage prepaid, and electronic mail this 17th day of October 2011.


Barth E. Royer

Matthew J. Satterwhite
Steven T. Nourse
Anne M. Vogel
American Electric Power Service
Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215

Janine Migden-Ostrander
Maureen R. Grady
Larry Sauer
Ohio Consumers' Counsel
10 West Broad Street
Suite 1800
Columbus, Ohio 43215-3485

David C. Rinebolt
Colleen L. Mooney
Ohio Partners for Affordable Energy
PO Box 1793
231 West Lima Street
Findlay, Ohio 45839-1793

William L. Wright, Section Chief
Thomas McNamee
Assistant Attorneys General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

David F. Boehm
Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202

Mark S. Yurick
John W. Bentine
Zachary D. Kravitz
Chester, Willcox & Saxbe LLP
65 East State Street, Suite 1000
Columbus, Ohio 43215-4213

Samuel C. Randazzo
Frank Darr
Joseph C. Olikier
Gretchen Hummel
McNees Wallace & Nurick LLC
21 East State Street, 17th Floor
Columbus, Ohio 43215

Christopher J. Allwein
Williams, Allwein and Moser, LLC
1373 Grandview Ave., Suite 212
Columbus, Ohio 43212

Henry W. Eckhart
1200 Chambers Road, #106
Columbus, Ohio 43212

Benita Kahn
Lija Kaleps-Clark
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
P. O. Box 1008
Columbus, Ohio 43216-1008

Lisa G. McAlister
Matthew W. Warnock
Bricker & Eckler LLP
100 South Third Street
Columbus, Ohio 43215-4291

Michael R. Smalz
Joseph V. Maskovyak
Ohio Poverty Law Center
555 Buttles Avenue
Columbus, Ohio 43215

Clinton A. Vince
Douglas G. Bonner
Daniel D. Barnowski
Emma F. Hand
Keith C. Nusbaum
SNR Denton US LLP
1301 K Street NW
Suite 600, East Tower
Washington, DC 20005

Mark A. Hayden
FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308

James F. Lang
Laura C. McBride
N. Trevor Alexander
Calfee, Halter & Griswold LLP
1400 KeyBank Center
800 Superior Avenue
Cleveland, Ohio 44114